

REFERENCE TITLE: school facilities board; construction proposals

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

# SB 1175

Introduced by  
Senator Huppenthal: Representative Biggs

## AN ACT

AMENDING SECTIONS 15-341 AND 15-342, ARIZONA REVISED STATUTES; AMENDING SECTION 15-2041, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2005, CHAPTER 272, SECTION 4 AND CHAPTER 293, SECTION 1; REPEALING SECTION 15-2041, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2005, CHAPTER 287, SECTION 3; BLENDING MULTIPLE ENACTMENTS; RELATING TO THE SCHOOL FACILITIES BOARD.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-341, Arizona Revised Statutes, is amended to  
3 read:

4 15-341. General powers and duties; immunity; delegation

5 A. The governing board shall:

6 1. Prescribe and enforce policies and procedures for the governance of  
7 the schools, not inconsistent with law or rules prescribed by the state board  
8 of education.

9 2. Maintain the schools established by it for the attendance of each  
10 pupil for a period of not less than one hundred seventy-five school days or  
11 two hundred school days, as applicable, or its equivalent as approved by the  
12 superintendent of public instruction for a school district operating on a  
13 year-round operation basis, to offer an educational program on the basis of a  
14 four day school week or to offer an alternative kindergarten program on the  
15 basis of a three day school week, in each school year, and if the funds of  
16 the district are sufficient, for a longer period, and as far as practicable  
17 with equal rights and privileges.

18 3. Exclude from schools all books, publications, papers or audiovisual  
19 materials of a sectarian, partisan or denominational character.

20 4. UNLESS THE MANAGEMENT AND CONTROL OF SPECIFIC SCHOOL PROPERTY HAS  
21 BEEN DELEGATED TO A DIFFERENT SCHOOL DISTRICT PURSUANT TO SECTION 15-2041,  
22 SUBSECTION D, PARAGRAPH 5, manage and control the school property within its  
23 district.

24 5. UNLESS THE MANAGEMENT AND CONTROL OF SPECIFIC SCHOOL PROPERTY HAS  
25 BEEN DELEGATED TO A DIFFERENT SCHOOL DISTRICT PURSUANT TO SECTION 15-2041,  
26 SUBSECTION D, PARAGRAPH 5, acquire school furniture, apparatus, equipment,  
27 library books and supplies for the use of the schools.

28 6. Prescribe the curricula and criteria for the promotion and  
29 graduation of pupils as provided in sections 15-701 and 15-701.01.

30 7. UNLESS THE MANAGEMENT AND CONTROL OF SPECIFIC SCHOOL PROPERTY HAS  
31 BEEN DELEGATED TO A DIFFERENT SCHOOL DISTRICT PURSUANT TO SECTION 15-2041,  
32 SUBSECTION D, PARAGRAPH 5, furnish, repair and insure, at full insurable  
33 value, the school property of the district.

34 8. UNLESS THE MANAGEMENT AND CONTROL OF SPECIFIC SCHOOL PROPERTY HAS  
35 BEEN DELEGATED TO A DIFFERENT SCHOOL DISTRICT PURSUANT TO SECTION 15-2041,  
36 SUBSECTION D, PARAGRAPH 5, construct school buildings on approval by a vote  
37 of the district electors.

38 9. UNLESS THE MANAGEMENT AND CONTROL OF SPECIFIC SCHOOL PROPERTY HAS  
39 BEEN DELEGATED TO A DIFFERENT SCHOOL DISTRICT PURSUANT TO SECTION 15-2041,  
40 SUBSECTION D, PARAGRAPH 5, make in the name of the district conveyances of  
41 property belonging to the district and sold by the board.

42 10. Purchase school sites when authorized by a vote of the district at  
43 an election conducted as nearly as practicable in the same manner as the  
44 election provided in section 15-481 and held on a date prescribed in section  
45 15-491, subsection E, but such authorization shall not necessarily specify

1 the site to be purchased and such authorization shall not be necessary to  
2 exchange unimproved property as provided in section 15-342, paragraph 23.

3 11. UNLESS THE MANAGEMENT AND CONTROL OF SPECIFIC SCHOOL PROPERTY HAS  
4 BEEN DELEGATED TO A DIFFERENT SCHOOL DISTRICT PURSUANT TO SECTION 15-2041,  
5 SUBSECTION D, PARAGRAPH 5, construct, improve and furnish buildings used for  
6 school purposes when such buildings or premises are leased from the national  
7 park service.

8 12. UNLESS THE MANAGEMENT AND CONTROL OF SPECIFIC SCHOOL PROPERTY HAS  
9 BEEN DELEGATED TO A DIFFERENT SCHOOL DISTRICT PURSUANT TO SECTION 15-2041,  
10 SUBSECTION D, PARAGRAPH 5, purchase school sites or construct, improve and  
11 furnish school buildings from the proceeds of the sale of school property  
12 only on approval by a vote of the district electors.

13 13. Hold pupils to strict account for disorderly conduct on school  
14 property.

15 14. Discipline students for disorderly conduct on the way to and from  
16 school.

17 15. Except as provided in section 15-1224, deposit all monies received  
18 by the district as gifts, grants and devises with the county treasurer who  
19 shall credit the deposits as designated in the uniform system of financial  
20 records. If not inconsistent with the terms of the gifts, grants and devises  
21 given, any balance remaining after expenditures for the intended purpose of  
22 the monies have been made shall be used for reduction of school district  
23 taxes for the budget year, except that in the case of accommodation schools  
24 the county treasurer shall carry the balance forward for use by the county  
25 school superintendent for accommodation schools for the budget year.

26 16. Provide that, if a parent or legal guardian chooses not to accept a  
27 decision of the teacher as provided in section 15-521, paragraph 3, the  
28 parent or legal guardian may request in writing that the governing board  
29 review the teacher's decision. Nothing in this paragraph shall be construed  
30 to release school districts from any liability relating to a child's  
31 promotion or retention.

32 17. Provide for adequate supervision over pupils in instructional and  
33 noninstructional activities by certificated or noncertificated personnel.

34 18. Use school monies received from the state and county school  
35 apportionment exclusively for payment of salaries of teachers and other  
36 employees and contingent expenses of the district.

37 19. Make an annual report to the county school superintendent on or  
38 before October 1 each year in the manner and form and on the blanks  
39 prescribed by the superintendent of public instruction or county school  
40 superintendent. The board shall also make reports directly to the county  
41 school superintendent or the superintendent of public instruction whenever  
42 required.

43 20. Deposit all monies received by school districts other than student  
44 activities monies or monies from auxiliary operations as provided in sections  
45 15-1125 and 15-1126 with the county treasurer to the credit of the school

1 district except as provided in paragraph 21 of this subsection and sections  
2 15-1223 and 15-1224, and the board shall expend the monies as provided by law  
3 for other school funds.

4 21. Establish a bank account in which the board during a month may  
5 deposit miscellaneous monies received directly by the district. The board  
6 shall remit monies deposited in the bank account at least monthly to the  
7 county treasurer for deposit as provided in paragraph 20 of this subsection  
8 and in accordance with the uniform system of financial records.

9 22. Employ an attorney admitted to practice in this state whose  
10 principal practice is in the area of commercial real estate, or a real estate  
11 broker who is licensed by this state and who is employed by a reputable  
12 commercial real estate company, to negotiate a lease of five or more years  
13 for the school district if the governing board decides to enter into a lease  
14 of five or more years as lessor of school buildings or grounds as provided in  
15 section 15-342, paragraph 7 or 10. Any lease of five or more years  
16 negotiated pursuant to this paragraph shall provide that the lessee is  
17 responsible for payment of property taxes pursuant to the requirements of  
18 section 42-11104.

19 23. Prescribe and enforce policies and procedures for disciplinary  
20 action against a teacher who engages in conduct that is a violation of the  
21 policies of the governing board but that is not cause for dismissal of the  
22 teacher or for revocation of the certificate of the teacher. Disciplinary  
23 action may include suspension without pay for a period of time not to exceed  
24 ten school days. Disciplinary action shall not include suspension with pay  
25 or suspension without pay for a period of time longer than ten school  
26 days. The procedures shall include notice, hearing and appeal provisions for  
27 violations that are cause for disciplinary action. The governing board may  
28 designate a person or persons to act on behalf of the board on these matters.

29 24. Prescribe and enforce policies and procedures for disciplinary  
30 action against an administrator who engages in conduct that is a violation of  
31 the policies of the governing board regarding duties of administrators but  
32 that is not cause for dismissal of the administrator or for revocation of the  
33 certificate of the administrator. Disciplinary action may include suspension  
34 without pay for a period of time not to exceed ten school days. Disciplinary  
35 action shall not include suspension with pay or suspension without pay for a  
36 period of time longer than ten school days. The procedures shall include  
37 notice, hearing and appeal provisions for violations that are cause for  
38 disciplinary action. The governing board may designate a person or persons  
39 to act on behalf of the board on these matters. For violations that are  
40 cause for dismissal, the provisions of notice, hearing and appeal in chapter  
41 5, article 3 of this title shall apply. The filing of a timely request for a  
42 hearing suspends the imposition of a suspension without pay or a dismissal  
43 pending completion of the hearing.

44 25. Notwithstanding section 13-3108, prescribe and enforce policies and  
45 procedures that prohibit a person from carrying or possessing a weapon on

1 school grounds unless the person is a peace officer or has obtained specific  
2 authorization from the school administrator.

3 26. Prescribe and enforce policies and procedures relating to the  
4 health and safety of all pupils participating in district sponsored practice  
5 sessions, games or other interscholastic athletic activities, including the  
6 provision of water.

7 27. Prescribe and enforce policies and procedures regarding the smoking  
8 of tobacco within school buildings. The policies and procedures shall be  
9 adopted in consultation with school district personnel and members of the  
10 community and shall state whether smoking is prohibited in school  
11 buildings. If smoking in school buildings is not prohibited, the policies  
12 and procedures shall clearly state the conditions and circumstances under  
13 which smoking is permitted, those areas in a school building that may be  
14 designated as smoking areas and those areas in a school building that may not  
15 be designated as smoking areas.

16 28. Establish an assessment, data gathering and reporting system as  
17 prescribed in chapter 7, article 3 of this title.

18 29. Provide special education programs and related services pursuant to  
19 section 15-764, subsection A to all children with disabilities as defined in  
20 section 15-761.

21 30. Administer competency tests prescribed by the state board of  
22 education for the graduation of pupils from high school.

23 31. Secure insurance coverage for all construction projects for  
24 purposes of general liability, property damage and workers' compensation and  
25 secure performance and payment bonds for all construction projects.

26 32. Keep on file the resumes of all current and former employees who  
27 provide instruction to pupils at a school. Resumes shall include an  
28 individual's educational and teaching background and experience in a  
29 particular academic content subject area. A school district shall inform  
30 parents and guardians of the availability of the resume information and shall  
31 make the resume information available for inspection on request of parents  
32 and guardians of pupils enrolled at a school. Nothing in this paragraph  
33 shall be construed to require any school to release personally identifiable  
34 information in relation to any teacher or employee including the teacher's or  
35 employee's address, salary, social security number or telephone number.

36 33. Report to local law enforcement agencies any suspected crime  
37 against a person or property that is a serious offense as defined in section  
38 13-604 or that involves a deadly weapon or dangerous instrument or serious  
39 physical injury and any conduct that poses a threat of death or serious  
40 physical injury to employees, students or anyone on the property of the  
41 school. This paragraph does not limit or preclude the reporting by a school  
42 district or an employee of a school district of suspected crimes other than  
43 those required to be reported by this paragraph. For the purposes of this  
44 paragraph, "dangerous instrument", "deadly weapon" and "serious physical  
45 injury" have the same meaning prescribed in section 13-105.

1       34. In conjunction with local law enforcement agencies and local  
2 medical facilities, develop an emergency response plan for each school in the  
3 school district in accordance with minimum standards developed jointly by the  
4 department of education and the division of emergency management within the  
5 department of emergency and military affairs.

6       35. Annually assign at least one school district employee to  
7 participate in a multihazard crisis training program developed or selected by  
8 the governing board.

9       36. Provide written notice to the parents or guardians of all students  
10 affected in the school district at least thirty days prior to a public  
11 meeting to discuss closing a school within the school district. The notice  
12 shall include the reasons for the proposed closure and the time and place of  
13 the meeting. The governing board shall fix a time for a public meeting on  
14 the proposed closure no less than thirty days before voting in a public  
15 meeting to close the school. The school district governing board shall give  
16 notice of the time and place of the meeting. At the time and place  
17 designated in the notice, the school district governing board shall hear  
18 reasons for or against closing the school. The school district governing  
19 board is exempt from this paragraph if it is determined by the governing  
20 board that the school shall be closed because it poses a danger to the health  
21 or safety of the pupils or employees of the school.

22       37. Incorporate instruction on Native American history into appropriate  
23 existing curricula.

24       38. Prescribe and enforce policies and procedures allowing pupils who  
25 have been diagnosed with anaphylaxis by a health care provider licensed  
26 pursuant to title 32, chapter 13, 14, 17 or 25 or by a registered nurse  
27 practitioner licensed and certified pursuant to title 32, chapter 15 to carry  
28 and self-administer emergency medications including auto-injectable  
29 epinephrine while at school and at school sponsored activities. The pupil's  
30 name on the prescription label on the medication container or on the  
31 medication device and annual written documentation from the pupil's parent or  
32 guardian to the school that authorizes possession and self-administration is  
33 sufficient proof that the pupil is entitled to the possession and  
34 self-administration of the medication. The policies shall require a pupil  
35 who uses auto-injectable epinephrine while at school and at school sponsored  
36 activities to notify the nurse or the designated school staff person of the  
37 use of the medication as soon as practicable. A school district and its  
38 employees are immune from civil liability with respect to all decisions made  
39 and actions taken that are based on good faith implementation of the  
40 requirements of this paragraph, except in cases of wanton or wilful neglect.

41       39. Allow the possession and self-administration of prescription  
42 medication for breathing disorders in handheld inhaler devices, by pupils who  
43 have been prescribed that medication by a health care professional licensed  
44 pursuant to title 32. The pupil's name on the prescription label on the  
45 medication container or on the handheld inhaler device and annual written

documentation from the pupil's parent or guardian to the school that authorizes possession and self-administration shall be sufficient proof that the pupil is entitled to the possession and self-administration of the medication. A school district and its employees are immune from civil liability with respect to all decisions made and actions taken that are based on a good faith implementation of the requirements of this paragraph.

40. Prescribe and enforce policies and procedures to prohibit pupils from harassing, intimidating and bullying other pupils on school grounds, on school property, on school buses, at school bus stops and at school sponsored events and activities that include the following components:

(a) A procedure for pupils to confidentially report to school officials incidents of harassment, intimidation or bullying.

(b) A procedure for parents and guardians of pupils to submit written reports to school officials of suspected incidents of harassment, intimidation or bullying.

(c) A requirement that school district employees report suspected incidents of harassment, intimidation or bullying to the appropriate school official.

(d) A formal process for the documentation of reported incidents of harassment, intimidation or bullying, except that no documentation shall be maintained unless the harassment, intimidation or bullying has been proven.

(e) A formal process for the investigation by the appropriate school officials of suspected incidents of harassment, intimidation or bullying.

(f) Disciplinary procedures for pupils who have admitted or been found to have committed incidents of harassment, intimidation or bullying.

(g) A procedure that sets forth consequences for submitting false reports of incidents of harassment, intimidation or bullying.

B. Notwithstanding subsection A, paragraphs 8, 10 and 12 of this section, the county school superintendent may construct, improve and furnish school buildings or purchase or sell school sites in the conduct of an accommodation school.

C. If any school district acquires real or personal property, whether by purchase, exchange, condemnation, gift or otherwise, the governing board shall pay to the county treasurer any taxes on the property that were unpaid as of the date of acquisition, including penalties and interest. The lien for unpaid delinquent taxes, penalties and interest on property acquired by a school district:

1. Is not abated, extinguished, discharged or merged in the title to the property.

2. Is enforceable in the same manner as other delinquent tax liens.

D. The governing board may not locate a school on property that is less than one-fourth mile from agricultural land regulated pursuant to section 3-365, except that the owner of the agricultural land may agree to comply with the buffer zone requirements of section 3-365. If the owner agrees in writing to comply with the buffer zone requirements and records the

1 agreement in the office of the county recorder as a restrictive covenant  
2 running with the title to the land, the school district may locate a school  
3 within the affected buffer zone. The agreement may include any stipulations  
4 regarding the school, including conditions for future expansion of the school  
5 and changes in the operational status of the school that will result in a  
6 breach of the agreement.

7 E. A school district, its governing board members, its school council  
8 members and its employees are immune from civil liability for the  
9 consequences of adoption and implementation of policies and procedures  
10 pursuant to subsection A of this section and section 15-342. This waiver  
11 does not apply if the school district, its governing board members, its  
12 school council members or its employees are guilty of gross negligence or  
13 intentional misconduct.

14 F. A governing board may delegate in writing to a superintendent,  
15 principal or head teacher the authority to prescribe procedures that are  
16 consistent with the governing board's policies.

17 G. Notwithstanding any other provision of this title, a school  
18 district governing board shall not take any action that would result in an  
19 immediate reduction or a reduction within three years of pupil square footage  
20 that would cause the school district to fall below the minimum adequate gross  
21 square footage requirements prescribed in section 15-2011, subsection C,  
22 unless the governing board notifies the school facilities board established  
23 by section 15-2001 of the proposed action and receives written approval from  
24 the school facilities board to take the action. A reduction includes an  
25 increase in administrative space that results in a reduction of pupil square  
26 footage or sale of school sites or buildings, or both. A reduction includes  
27 a reconfiguration of grades that results in a reduction of pupil square  
28 footage of any grade level. This subsection does not apply to temporary  
29 reconfiguration of grades to accommodate new school construction if the  
30 temporary reconfiguration does not exceed one year. The sale of equipment  
31 that results in an immediate reduction or a reduction within three years that  
32 falls below the equipment requirements prescribed in section 15-2011,  
33 subsection B is subject to commensurate withholding of school district  
34 capital outlay revenue limit monies pursuant to the direction of the school  
35 facilities board. Except as provided in section 15-342, paragraph 10,  
36 proceeds from the sale of school sites, buildings or other equipment shall be  
37 deposited in the school plant fund as provided in section 15-1102.

38 H. Subsections C through G of this section apply to a county board of  
39 supervisors and a county school superintendent when operating and  
40 administering an accommodation school.

41 I. Until the state board of education and the auditor general adopt  
42 rules pursuant to section 15-213, subsection ~~J~~ I, a school district may  
43 procure construction services, including services for new school construction  
44 pursuant to section 15-2041, by the construction-manager-at-risk,  
45 design-build and job-order-contracting methods of project delivery as



provided in title 41, chapter 23, except that the rules adopted by the director of the department of administration do not apply to procurements pursuant to this subsection. Any procurement commenced pursuant to this subsection may be completed pursuant to this subsection.

Sec. 2. Section 15-342, Arizona Revised Statutes, is amended to read:  
15-342. Discretionary powers

The governing board may:

1. Expel pupils for misconduct.
2. Exclude from grades one through eight children under six years of age.
3. Make such separation of groups of pupils as it deems advisable.
4. Maintain such special schools during vacation as deemed necessary for the benefit of the pupils of the school district.
5. Permit a superintendent or principal or representatives of the superintendent or principal to travel for a school purpose, as determined by a majority vote of the board. The board may permit members and members-elect of the board to travel within or without the school district for a school purpose and receive reimbursement. Any expenditure for travel and subsistence pursuant to this paragraph shall be as provided in title 38, chapter 4, article 2. The designated post of duty referred to in section 38-621 shall be construed, for school district governing board members, to be the member's actual place of residence, as opposed to the school district office or the school district boundaries. Such expenditures shall be a charge against the budgeted school district funds. The governing board of a school district shall prescribe procedures and amounts for reimbursement of lodging and subsistence expenses. Reimbursement amounts shall not exceed the maximum amounts established pursuant to section 38-624, subsection C.
6. Construct or provide in rural districts housing facilities for teachers and other school employees which the board determines are necessary for the operation of the school.
7. Sell or lease to the state, a county, a city or a tribal government agency, any school property required for a public purpose, provided the sale or lease of the property will not affect the normal operations of a school within the school district.
8. Annually budget and expend funds for membership in an association of school districts within this state.
9. Enter into leases or lease-purchase agreements for school buildings or grounds, or both, as lessor or as lessee, for periods of less than five years subject to voter approval for construction of school buildings as prescribed in section 15-341, subsection A, paragraph 8.
10. Subject to chapter 16 of this title, sell school sites or enter into leases or lease-purchase agreements for school buildings and grounds, as lessor or as lessee, for a period of five years or more, but not to exceed ninety-nine years, if authorized by a vote of the school district electors in an election called by the governing board as provided in section 15-491,

1 except that authorization by the school district electors in an election is  
2 not required if one of the following requirements is met:

3 (a) The market value of the school property is less than fifty  
4 thousand dollars.

5 (b) The buildings and sites are completely funded with monies  
6 distributed by the school facilities board.

7 (c) The transaction involves the sale of improved or unimproved  
8 property pursuant to an agreement with the school facilities board in which  
9 the school district agrees to sell the improved or unimproved property and  
10 transfer the proceeds of the sale to the school facilities board in exchange  
11 for monies from the school facilities board for the acquisition of a more  
12 suitable school site. For a sale of property acquired by a school district  
13 prior to July 9, 1998, a school district shall transfer to the school  
14 facilities board that portion of the proceeds that equals the cost of the  
15 acquisition of a more suitable school site. If there are any remaining  
16 proceeds after the transfer of monies to the school facilities board, a  
17 school district shall only use those remaining proceeds for future land  
18 purchases approved by the school facilities board, or for capital  
19 improvements not funded by the school facilities board for any existing or  
20 future facility.

21 (d) The transaction involves the sale of improved or unimproved  
22 property pursuant to a formally adopted plan and the school district uses the  
23 proceeds of this sale to purchase other property that will be used for  
24 similar purposes as the property that was originally sold, provided that the  
25 sale proceeds of the improved or unimproved property are used within two  
26 years after the date of the original sale to purchase the replacement  
27 property. If the sale proceeds of the improved or unimproved property are  
28 not used within two years after the date of the original sale to purchase  
29 replacement property, the sale proceeds shall be used towards payment of any  
30 outstanding bonded indebtedness. If any sale proceeds remain after paying  
31 for outstanding bonded indebtedness, or if the district has no outstanding  
32 bonded indebtedness, sale proceeds shall be used to reduce the district's  
33 primary tax levy. A school district shall not use the provisions of this  
34 subdivision unless all of the following conditions exist:

35 (i) The school district is the sole owner of the improved or  
36 unimproved property that the school district intends to sell.

37 (ii) The school district did not purchase the improved or unimproved  
38 property that the school district intends to sell with monies that were  
39 distributed pursuant to chapter 16 of this title.

40 (iii) The transaction does not violate section 15-341, subsection G.

41 11. Review the decision of a teacher to promote a pupil to a grade or  
42 retain a pupil in a grade in a common school or to pass or fail a pupil in a  
43 course in high school. The pupil has the burden of proof to overturn the  
44 decision of a teacher to promote, retain, pass or fail the pupil. In order  
45 to sustain the burden of proof, the pupil shall demonstrate to the governing

1 board that the pupil has mastered the academic standards adopted by the state  
2 board of education pursuant to sections 15-701 and 15-701.01. If the  
3 governing board overturns the decision of a teacher pursuant to this  
4 paragraph, the governing board shall adopt a written finding that the pupil  
5 has mastered the academic standards. Notwithstanding title 38, chapter 3,  
6 article 3.1, the governing board shall review the decision of a teacher to  
7 promote a pupil to a grade or retain a pupil in a grade in a common school or  
8 to pass or fail a pupil in a course in high school in executive session  
9 unless a parent or legal guardian of the pupil or the pupil, if emancipated,  
10 disagrees that the review should be conducted in executive session and then  
11 the review shall be conducted in an open meeting. If the review is conducted  
12 in executive session, the board shall notify the teacher of the date, time  
13 and place of the review and shall allow the teacher to be present at the  
14 review. If the teacher is not present at the review, the board shall consult  
15 with the teacher before making its decision. Any request, including the  
16 written request as provided in section 15-341, the written evidence presented  
17 at the review and the written record of the review, including the decision of  
18 the governing board to accept or reject the teacher's decision, shall be  
19 retained by the governing board as part of its permanent records.

20 12. Provide transportation or site transportation loading and unloading  
21 areas for any child or children if deemed for the best interest of the  
22 district, whether within or without the district, county or state.

23 13. Enter into intergovernmental agreements and contracts with school  
24 districts or other governing bodies as provided in section 11-952.

25 14. Include in the curricula which it prescribes for high schools in  
26 the school district career and technical education, vocational education and  
27 technology education programs and career and technical, vocational and  
28 technology program improvement services for the high schools, subject to  
29 approval by the state board of education. The governing board may contract  
30 for the provision of career and technical, vocational and technology  
31 education as provided in section 15-789.

32 15. Suspend a teacher or administrator from the teacher's or  
33 administrator's duties without pay for a period of time of not to exceed ten  
34 school days, if the board determines that suspension is warranted pursuant to  
35 section 15-341, subsection A, paragraphs 23 and 24.

36 16. Dedicate school property within an incorporated city or town to  
37 such city or town or within a county to that county for use as a public  
38 right-of-way if both of the following apply:

39 (a) Pursuant to an ordinance adopted by such city, town or county,  
40 there will be conferred upon the school district privileges and benefits  
41 which may include benefits related to zoning.

42 (b) The dedication will not affect the normal operation of any school  
43 within the district.

44 17. Enter into option agreements for the purchase of school sites.

18. Donate surplus or outdated learning materials to nonprofit community organizations where the governing board determines that the anticipated cost of selling the learning materials equals or exceeds the estimated market value of the materials.

19. Prescribe policies for the assessment of reasonable fees for students to use district-provided parking facilities. The fees are to be applied by the district solely against costs incurred in operating or securing the parking facilities. Any policy adopted by the governing board pursuant to this paragraph shall include a fee waiver provision in appropriate cases of need or economic hardship.

20. Establish alternative educational programs that are consistent with the laws of this state to educate pupils, including pupils who have been reassigned pursuant to section 15-841, subsection E or F.

21. Require a period of silence to be observed at the commencement of the first class of the day in the schools. If a governing board chooses to require a period of silence to be observed, the teacher in charge of the room in which the first class is held shall announce that a period of silence not to exceed one minute in duration will be observed for meditation, and during that time no activities shall take place and silence shall be maintained.

22. Require students to wear uniforms.

23. Exchange unimproved property or improved property, including school sites, where the governing board determines that the improved property is unnecessary for the continued operation of the school district without requesting authorization by a vote of the school district electors if the governing board determines that the exchange is necessary to protect the health, safety or welfare of pupils or when the governing board determines that the exchange is based on sound business principles for either:

(a) Unimproved or improved property of equal or greater value.

(b) Unimproved property that the owner contracts to improve if the value of the property ultimately received by the school district is of equal or greater value.

24. For common and high school pupils, assess reasonable fees for optional extracurricular activities and programs conducted when the common or high school is not in session, except that no fees shall be charged for pupils' access to or use of computers or related materials. For high school pupils, the governing board may assess reasonable fees for fine arts and vocational education courses and for optional services, equipment and materials offered to the pupils beyond those required to successfully complete the basic requirements of any other course, except that no fees shall be charged for pupils' access to or use of computers or related materials. Fees assessed pursuant to this paragraph shall be adopted at a public meeting after notice has been given to all parents of pupils enrolled at schools in the district and shall not exceed the actual costs of the activities, programs, services, equipment or materials. The governing board shall authorize principals to waive the assessment of all or part of a fee

1 assessed pursuant to this paragraph if it creates an economic hardship for a  
2 pupil. For the purposes of this paragraph, "extracurricular activity" means  
3 any optional, noncredit, educational or recreational activity which  
4 supplements the education program of the school, whether offered before,  
5 during or after regular school hours.

6 25. Notwithstanding section 15-341, subsection A, paragraphs 8 and 10,  
7 construct school buildings and purchase or lease school sites, without a vote  
8 of the school district electors, if the buildings and sites are totally  
9 funded from one or more of the following:

10 (a) Monies in the unrestricted capital outlay fund, except that the  
11 estimated cost shall not exceed two hundred fifty thousand dollars for a  
12 district that utilizes the provisions of section 15-949.

13 (b) Monies distributed from the school facilities board established by  
14 section 15-2001.

15 (c) Monies specifically donated for the purpose of constructing school  
16 buildings.

17 Nothing in this paragraph shall be construed to eliminate the requirement for  
18 an election to raise revenues for a capital outlay override pursuant to  
19 section 15-481 or a bond election pursuant to section 15-491.

20 26. Conduct a background investigation that includes a fingerprint  
21 check conducted pursuant to section 41-1750, subsection G for certificated  
22 personnel and personnel who are not paid employees of the school district, as  
23 a condition of employment. A school district may release the results of a  
24 background check to another school district for employment purposes. The  
25 school district may charge the costs of fingerprint checks to its  
26 fingerprinted employee, except that the school district may not charge the  
27 costs of fingerprint checks for personnel who are not paid employees of the  
28 school district.

29 27. Sell advertising space on the exterior of school buses as follows:

30 (a) Advertisements shall be age appropriate and not contain promotion  
31 of any substance that is illegal for minors such as alcohol, tobacco and  
32 drugs or gambling. Advertisements shall comply with the state sex education  
33 policy of abstinence.

34 (b) Advertising approved by the governing board may appear only on the  
35 sides of the bus in the following areas:

36 (i) The signs shall be below the seat level rub rail and not extend  
37 above the bottom of the side windows.

38 (ii) The signs shall be at least three inches from any required  
39 lettering, lamp, wheel well or reflector behind the service door or stop  
40 signal arm.

41 (iii) The signs shall not extend from the body of the bus so as to  
42 allow a handhold or present a danger to pedestrians.

43 (iv) The signs shall not interfere with the operation of any door or  
44 window.

45 (v) The signs shall not be placed on any emergency doors.

(c) Establish a school bus advertisement fund that is comprised of revenues from the sale of advertising space on school buses. The monies in a school bus advertisement fund are not subject to reversion and shall be used for the following purposes:

(i) To comply with the energy conservation measures prescribed in section 15-349 in school districts that are in area A as defined in section 49-541, and any remaining monies shall be used to purchase alternative fuel support vehicles and any other pupil related costs as determined by the governing board.

(ii) For any pupil related costs as determined by the governing board in school districts not subject to the provisions of item (i) of this subdivision.

28. Assess reasonable damage deposits to pupils in grades seven through twelve for the use of textbooks, musical instruments, band uniforms or other equipment required for academic courses. The governing board shall adopt policies on any damage deposits assessed pursuant to this paragraph at a public meeting called for this purpose after providing notice to all parents of pupils in grades seven through twelve in the school district. Principals of individual schools within the district may waive the damage deposit requirement for any textbook or other item if the payment of the damage deposit would create an economic hardship for the pupil. The school district shall return the full amount of the damage deposit for any textbook or other item if the pupil returns the textbook or other item in reasonably good condition within the time period prescribed by the governing board. For the purposes of this paragraph, "in reasonably good condition" means the textbook or other item is in the same or a similar condition as it was when the pupil received it, plus ordinary wear and tear.

29. Notwithstanding section 15-1105, expend surplus monies in the civic center school fund for maintenance and operations or unrestricted capital outlay, if sufficient monies are available in the fund after meeting the needs of programs established pursuant to section 15-1105.

30. Notwithstanding section 15-1143, expend surplus monies in the community school program fund for maintenance and operations or unrestricted capital outlay, if sufficient monies are available in the fund after meeting the needs of programs established pursuant to section 15-1142.

31. Adopt guidelines for standardization of the format of the school report cards required by section 15-746 for schools within the district.

32. Adopt policies that require parental notification when a law enforcement officer interviews a pupil on school grounds. Policies adopted pursuant to this paragraph shall not impede a peace officer from the performance of the peace officer's duties. If the school district governing board adopts a policy that requires parental notification:

(a) The policy may provide reasonable exceptions to the parental notification requirement.

(b) The policy shall set forth whether and under what circumstances a parent may be present when a law enforcement officer interviews the pupil, including reasonable exceptions to the circumstances under which a parent may be present when a law enforcement officer interviews the pupil, and shall specify a reasonable maximum time after a parent is notified that an interview of a pupil by a law enforcement officer may be delayed to allow the parent to be present.

**33. CONSTRUCT AND MANAGE A SCHOOL FACILITY IN ANOTHER SCHOOL DISTRICT IF AWARDED A CONSTRUCTION PROJECT IN ANOTHER SCHOOL DISTRICT BY THE SCHOOL FACILITIES BOARD PURSUANT TO SECTION 15-2041, SUBSECTION D, PARAGRAPH 5.**

Sec. 3. Section 15-2041, Arizona Revised Statutes, as amended by Laws 2005, chapter 272, section 4 and chapter 293, section 1, is amended to read: 15-2041. New school facilities fund; capital plan; report

A. A new school facilities fund is established consisting of monies appropriated by the legislature and monies credited to the fund pursuant to section 37-221 ~~or 42-5030.01~~. The school facilities board shall administer the fund and distribute monies, as a continuing appropriation, to school districts for the purpose of constructing new school facilities. On June 30 of each fiscal year, any unobligated contract monies in the new school facilities fund shall be transferred to the capital reserve fund established by section 15-2003.

B. The school facilities board shall prescribe a uniform format for use by the school district governing board in developing and annually updating a capital plan that consists of each of the following:

1. Enrollment projections for the next five years for elementary schools and eight years for middle and high schools, including a description of the methods used to make the projections.

2. A description of new schools or additions to existing schools needed to meet the building adequacy standards prescribed in section 15-2011. The description shall include:

(a) The grade levels and the total number of pupils that the school or addition is intended to serve.

(b) The year in which it is necessary for the school or addition to begin operations.

(c) A timeline that shows the planning and construction process for the school or addition.

3. Long-term projections of the need for land for new schools.

4. Any other necessary information required by the school facilities board to evaluate a school district's capital plan.

5. If a school district pays tuition for all or a portion of the school district's high school pupils to another school district, the capital plan shall indicate the number of pupils for which the district pays tuition to another district. If a school district accepts pupils from another school district pursuant to section 15-824, subsection A, the school district shall

1 indicate the projections for this population separately. This paragraph does  
2 not apply to a small isolated school district as defined in section 15-901.

3 C. If the capital plan indicates a need for a new school or an  
4 addition to an existing school within the next four years or a need for land  
5 within the next ten years, the school district shall submit its plan to the  
6 school facilities board by September 1 and shall request monies from the new  
7 school facilities fund for the new construction or land. Monies provided for  
8 land shall be in addition to any monies provided pursuant to subsection D of  
9 this section.

10 D. The school facilities board shall distribute monies from the new  
11 school facilities fund as follows:

12 1. The school facilities board shall review and evaluate the  
13 enrollment projections and either approve the projections as submitted or  
14 revise the projections. In determining new construction requirements, the  
15 school facilities board shall determine the net new growth of pupils that  
16 will require additional square footage that exceeds the building adequacy  
17 standards prescribed in section 15-2011. If the projected growth and the  
18 existing number of pupils exceeds three hundred fifty pupils who are served  
19 in a school district other than the pupil's resident school district, the  
20 school facilities board, the receiving school district and the resident  
21 school district shall develop a capital facilities plan on how to best serve  
22 those pupils. A small isolated school district as defined in section 15-901  
23 is not required to develop a capital facilities plan pursuant to this  
24 paragraph.

25 2. If the approved projections indicate that additional space will not  
26 be needed within the next two years for elementary schools or three years for  
27 middle or high schools in order to meet the building adequacy standards  
28 prescribed in section 15-2011, the request shall be held for consideration by  
29 the school facilities board for possible future funding and the school  
30 district shall annually submit an updated plan until the additional space is  
31 needed.

32 3. If the approved projections indicate that additional space will be  
33 needed within the next two years for elementary schools or three years for  
34 middle or high schools in order to meet the building adequacy standards  
35 prescribed in section 15-2011, the school facilities board shall provide an  
36 amount as follows:

37 (a) Determine the number of pupils requiring additional square footage  
38 to meet building adequacy standards. This amount for elementary schools  
39 shall not be less than the number of new pupils for whom space will be needed  
40 in the next year and shall not exceed the number of new pupils for whom space  
41 will be needed in the next five years. This amount for middle and high  
42 schools shall not be less than the number of new pupils for whom space will  
43 be needed in the next four years and shall not exceed the number of new  
44 pupils for whom space will be needed in the next eight years.



1 (b) Multiply the number of pupils determined in subdivision (a) of  
2 this paragraph by the square footage per pupil. The square footage per pupil  
3 is ninety square feet per pupil for preschool children with disabilities,  
4 kindergarten programs and grades one through six, one hundred square feet for  
5 grades seven and eight, one hundred thirty-four square feet for a school  
6 district that provides instruction in grades nine through twelve for fewer  
7 than one thousand eight hundred pupils and one hundred twenty-five square  
8 feet for a school district that provides instruction in grades nine through  
9 twelve for at least one thousand eight hundred pupils. The total number of  
10 pupils in grades nine through twelve in the district shall determine the  
11 square footage factor to use for net new pupils. The school facilities board  
12 may modify the square footage requirements prescribed in this subdivision for  
13 particular schools based on any of the following factors:

14 (i) The number of pupils served or projected to be served by the  
15 school district.

16 (ii) Geographic factors.

17 (iii) Grade configurations other than those prescribed in this  
18 subdivision.

19 (iv) Compliance with minimum school facility adequacy requirements  
20 established pursuant to section 15-2011.

21 (c) Multiply the product obtained in subdivision (b) of this paragraph  
22 by the cost per square foot. The cost per square foot is ninety dollars for  
23 preschool children with disabilities, kindergarten programs and grades one  
24 through six, ninety-five dollars for grades seven and eight and one hundred  
25 ten dollars for grades nine through twelve. The cost per square foot shall  
26 be adjusted annually for construction market considerations based on an index  
27 identified or developed by the joint legislative budget committee as  
28 necessary but not less than once each year. The school facilities board  
29 shall multiply the cost per square foot by 1.05 for any school district  
30 located in a rural area. The school facilities board may modify the base  
31 cost per square foot prescribed in this subdivision for particular schools  
32 based on geographic conditions or site conditions. For the purposes of this  
33 subdivision, "rural area" means an area outside a thirty-five mile radius of  
34 a boundary of a municipality with a population of more than fifty thousand  
35 persons.

36 (d) Once the school district governing board obtains approval from the  
37 school facilities board for new facility construction funds, additional  
38 portable or modular square footage created for the express purpose of  
39 providing temporary space for pupils until the completion of the new facility  
40 shall not be included by the school facilities board for the purpose of new  
41 construction funding calculations. On completion of the new facility  
42 construction project, if the portable or modular facilities continue in use,  
43 the portable or modular facilities shall be included as prescribed by this  
44 chapter, unless the school facilities board approves their continued use for  
45 the purpose of providing temporary space for pupils until the completion of

the next new facility that has been approved for funding from the new school facilities fund.

4. For projects approved after December 31, 2001, and notwithstanding paragraph 3 of this subsection, a unified school district that does not have a high school is not eligible to receive high school space as prescribed by section 15-2011 and this section unless the unified district qualifies for geographic factors prescribed by paragraph 3, subdivision (b), item (ii) of this subsection.

5. FOR PROJECTS APPROVED AFTER DECEMBER 31, 2006:

(a) THE SCHOOL FACILITIES BOARD SHALL MAINTAIN A QUALIFIED BIDDERS LIST OF SCHOOL DISTRICTS THAT MEET EACH OF THE FOLLOWING CRITERIA AND THAT ARE WILLING TO CONSTRUCT AND MANAGE SCHOOL FACILITIES ON BEHALF OF OTHER SCHOOL DISTRICTS:

(i) THE EXTENT OF ACADEMIC PROGRESS MADE BY THE PUPILS IN THE SCHOOL DISTRICT, AS MEASURED PURSUANT TO SECTION 15-241, SHALL EXCEED SEVENTY PER CENT OF THE EXTENT OF ACADEMIC PROGRESS MADE BY THE PUPILS IN THIS STATE.

(ii) AT LEAST FIFTY PER CENT OF THE RESPONDENTS RATE THE SCHOOL DISTRICT AS EXCELLENT IN A PARENTAL SATISFACTION SURVEY DISTRIBUTED TO THE PARENTS OF PUPILS WHO ARE ENROLLED IN THE SCHOOL DISTRICT.

(iii) AT LEAST FIFTY PER CENT OF THE RESPONDENTS RATE THE SCHOOL DISTRICT AS EXCELLENT IN A PUPIL SATISFACTION SURVEY DISTRIBUTED TO THE PUPILS WHO ARE ENROLLED IN THE SCHOOL DISTRICT.

(iv) AT LEAST FIFTY PER CENT OF THE RESPONDENTS RATE THE SCHOOL DISTRICT AS EXCELLENT IN A TEACHER SATISFACTION SURVEY DISTRIBUTED TO THE CERTIFICATED TEACHERS WHO ARE EMPLOYED BY THE SCHOOL DISTRICT.

(b) BEFORE DISTRIBUTING MONIES PURSUANT TO THIS SECTION FOR A SPECIFIC PROJECT, THE SCHOOL FACILITIES BOARD SHALL ISSUE A REQUEST FOR PROPOSALS FROM SCHOOL DISTRICTS ON THE QUALIFIED BIDDERS LIST DEVELOPED PURSUANT TO THIS PARAGRAPH. THE REQUEST SHALL INCLUDE:

(i) THE SCOPE OF WORK, INCLUDING PROGRAMMATIC, PERFORMANCE AND TECHNICAL REQUIREMENTS, CONCEPTUAL DESIGN, SPECIFICATIONS AND FUNCTIONAL AND OPERATIONAL ELEMENTS FOR THE DELIVERY OF THE COMPLETED PROJECT.

(ii) A DESCRIPTION OF THE QUALIFICATIONS REQUIRED OF THE GENERAL CONTRACTOR AND THE SUBCONTRACTORS THAT WILL BE HIRED FOR THE PROJECT.

(iii) COPIES OF THE CONTRACT DOCUMENTS THAT THE SUCCESSFUL BIDDER WILL BE EXPECTED TO SIGN.

(iv) THE MAXIMUM TIME ALLOWABLE FOR DESIGN AND CONSTRUCTION.

(v) THE ESTIMATED COST OF DESIGN AND CONSTRUCTION.

(vi) ANY OTHER INFORMATION RELEVANT TO THE PROJECT.

(c) THE SCHOOL FACILITIES BOARD SHALL REVIEW THE PROPOSALS FOR EACH PROJECT SUBMITTED BY SCHOOL DISTRICTS ON THE QUALIFIED BIDDERS LIST. UNLESS ALL PROPOSALS ARE REJECTED, THE SCHOOL FACILITIES BOARD SHALL AWARD THE PROJECT TO THE SCHOOL DISTRICT THAT THE SCHOOL FACILITIES BOARD DETERMINES IS THE BEST SUITED TO CONSTRUCT AND MANAGE THE FACILITY IN THE MOST EFFECTIVE AND COST-EFFICIENT MANNER. THE SCHOOL FACILITIES BOARD SHALL RESERVE THE

1 RIGHT TO REJECT ALL PROPOSALS AND DISTRIBUTE THE MONIES DIRECTLY TO THE  
2 SCHOOL DISTRICT IN WHICH THE FACILITY WILL BE LOCATED AS PRESCRIBED IN  
3 PARAGRAPHS 1 THROUGH 4 OF THIS SUBSECTION.

4 (d) NO LATER THAN NINETY DAYS AFTER THE DATE THAT THE SCHOOL  
5 FACILITIES BOARD AWARDS A PROJECT TO A SCHOOL DISTRICT TO CONSTRUCT AND  
6 MANAGE A SCHOOL FACILITY IN ANOTHER SCHOOL DISTRICT, THE GOVERNING BOARDS OF  
7 BOTH SCHOOL DISTRICTS SHALL ENTER INTO AN INTERGOVERNMENTAL AGREEMENT THAT  
8 DETAILS THE SPECIFIC DISTRIBUTION OF STATE AND LOCAL REVENUES BETWEEN THE TWO  
9 SCHOOL DISTRICTS WITH RESPECT TO THAT SCHOOL FACILITY. THE INTERGOVERNMENTAL  
10 AGREEMENT SHALL SPECIFY THE RESPONSIBILITIES OF EACH SCHOOL DISTRICT AND THE  
11 EXTENT TO WHICH ONE OR BOTH SCHOOL DISTRICTS ARE ENTITLED TO BUDGET FOR AND  
12 RECEIVE DISTRIBUTIONS UNDER THIS TITLE FOR MAINTENANCE AND OPERATION EXPENSES  
13 FOR THE PUPILS WHO WILL ENROLL IN THE FACILITY, CAPITAL OUTLAY EXPENSES IN  
14 CONNECTION WITH THE FACILITY AND SOFT CAPITAL ALLOCATIONS IN CONNECTION WITH  
15 THE FACILITY. IN NO EVENT SHALL THE TOTAL AMOUNT OF MONIES PROVIDED TO THE  
16 TWO SCHOOL DISTRICTS FOR A SPECIFIC PURPOSE OR UNDER A SPECIFIC FUNDING  
17 CATEGORY EXCEED THE AMOUNT OF MONIES THAT A SINGLE SCHOOL DISTRICT WOULD BE  
18 ENTITLED TO RECEIVE FOR THAT PURPOSE OR UNDER THAT FUNDING CATEGORY IF THE  
19 SCHOOL FACILITY WAS CONSTRUCTED AND MANAGED BY THE SCHOOL DISTRICT IN WHICH  
20 THE FACILITY IS LOCATED. IF THE TWO SCHOOL DISTRICTS ARE UNABLE TO FINALIZE  
21 THE INTERGOVERNMENTAL AGREEMENT WITHIN NINETY DAYS, THE GOVERNING BOARDS  
22 SHALL SUBMIT THE INCOMPLETE INTERGOVERNMENTAL AGREEMENT TO THE EXECUTIVE  
23 DIRECTOR OF THE SCHOOL FACILITIES BOARD. THE EXECUTIVE DIRECTOR OF THE  
24 SCHOOL FACILITIES BOARD SHALL REVISE THE INTERGOVERNMENTAL AGREEMENT TO  
25 RESOLVE THE REMAINING ISSUES AND THE GOVERNING BOARDS OF THE TWO SCHOOL  
26 DISTRICTS SHALL SIGN THE INTERGOVERNMENTAL AGREEMENT AS REVISED BY THE  
27 EXECUTIVE DIRECTOR.

28 E. Monies for architectural and engineering fees, project management  
29 SERVICES and preconstruction services shall be distributed on the completion  
30 of the analysis by the school facilities board of the school district's  
31 request. After receiving monies pursuant to this subsection, the school  
32 district shall submit a design development plan for the school or addition to  
33 the school facilities board before any monies for construction are  
34 distributed. If the school district's request meets the building adequacy  
35 standards, the school facilities board may review and comment on the  
36 district's plan with respect to the efficiency and effectiveness of the plan  
37 in meeting state square footage and facility standards before distributing  
38 the remainder of the monies. If the school facilities board modifies the  
39 cost per square foot as prescribed in subsection D, paragraph 3, subdivision  
40 (c), the school facilities board may deduct the cost of project management  
41 services and preconstruction services from the required cost per square foot.  
42 The school facilities board may decline to fund the project if the square  
43 footage is no longer required due to revised enrollment projections.

44 F. The school facilities board shall distribute the monies needed for  
45 land for new schools so that land may be purchased at a price that is less

1 than or equal to fair market value and in advance of the construction of the  
2 new school. If necessary, the school facilities board may distribute monies  
3 for land to be leased for new schools if the duration of the lease exceeds  
4 the life expectancy of the school facility by at least fifty per cent. The  
5 proceeds derived through the sale of any land purchased or partially  
6 purchased with monies provided by the school facilities board shall be  
7 returned to the state fund from which it was appropriated and to any other  
8 participating entity on a proportional basis. If a school district acquires  
9 real property by donation at an appropriate school site approved by the  
10 school facilities board, the school facilities board shall distribute an  
11 amount equal to twenty per cent of the fair market value of the donated real  
12 property that can be used for academic purposes. The school district shall  
13 place the monies in the unrestricted capital outlay fund and increase the  
14 unrestricted capital outlay limit by the amount of monies placed in the  
15 fund. Monies distributed under this subsection shall be distributed from the  
16 new school facilities fund. A school district shall not pay a consultant a  
17 percentage of the value of any of the following:

18 1. Donations of real property, services or cash from any of the  
19 following:

20 (a) Entities that have offered to provide construction services to the  
21 school district.

22 (b) Entities that have been contracted to provide construction  
23 services to the school district.

24 (c) Entities that build residential units in that school district.

25 (d) Entities that develop land for residential use in that school  
26 district.

27 2. Monies received from the school facilities board on behalf of the  
28 school district.

29 3. Monies paid by the school facilities board on behalf of the school  
30 district.

31 G. In addition to distributions to school districts based on pupil  
32 growth projections, a school district may submit an application to the school  
33 facilities board for monies from the new school facilities fund if one or  
34 more school buildings have outlived their useful life. If the school  
35 facilities board determines that the school district needs to build a new  
36 school building for these reasons, the school facilities board shall remove  
37 the square footage computations that represent the building from the  
38 computation of the school district's total square footage for purposes of  
39 this section. If the square footage recomputation reflects that the school  
40 district no longer meets building adequacy standards, the school district  
41 qualifies for a distribution of monies from the new school construction  
42 formula in an amount determined pursuant to subsection D of this  
43 section. Buildings removed from a school district's total square footage  
44 pursuant to this subsection shall not be included in the computation of  
45 monies from the building renewal fund established by section 15-2031. The

1 school facilities board may modify the base cost per square foot prescribed  
2 in this subsection under extraordinary circumstances for geographic factors  
3 or site conditions.

4 H. School districts that receive monies from the new school facilities  
5 fund shall establish a district new school facilities fund and shall use the  
6 monies in the district new school facilities fund only for the purposes  
7 prescribed in this section. By October 15 of each year, each school district  
8 shall report to the school facilities board the projects funded at each  
9 school in the previous fiscal year with monies from the district new school  
10 facilities fund and shall provide an accounting of the monies remaining in  
11 the new school facilities fund at the end of the previous fiscal year.

12 I. If a school district has surplus monies received from the new  
13 school facilities fund, the school district may use the surplus monies only  
14 for capital purposes for the project for up to one year after completion of  
15 the project. If the school district possesses surplus monies from the new  
16 school construction project that have not been expended within one year of  
17 the completion of the project, the school district shall return the surplus  
18 monies to the school facilities board for deposit in the new school  
19 facilities fund.

20 J. The board's consideration of any application filed after July 1,  
21 2001 or after December 31 of the year in which the property becomes territory  
22 in the vicinity of a military airport or ancillary military facility as  
23 defined in section 28-8461 for monies to fund the construction of new school  
24 facilities proposed to be located in territory in the vicinity of a military  
25 airport or ancillary military facility shall include, if after notice is  
26 transmitted to the military airport pursuant to section 15-2002 and before  
27 the public hearing the military airport provides comments and analysis  
28 concerning compatibility of the proposed school facilities with the high  
29 noise or accident potential generated by military airport or ancillary  
30 military facility operations that may have an adverse effect on public health  
31 and safety, consideration and analysis of the comments and analysis provided  
32 by the military airport before making a final determination.

33 K. If a school district uses its own project manager for new school  
34 construction, the members of the school district governing board and the  
35 project manager shall sign an affidavit stating that the members and the  
36 project manager understand and will follow the minimum adequacy requirements  
37 prescribed in section 15-2011.

38 L. The school facilities board shall establish a separate account in  
39 the new school facilities fund designated as the litigation account to pay  
40 attorney fees, expert witness fees and other costs associated with litigation  
41 in which the school facilities board pursues the recovery of damages for  
42 deficiencies correction that resulted from alleged construction defects or  
43 design defects that the school facilities board believes caused or  
44 contributed to a failure of the school building to conform to the building  
45 adequacy requirements prescribed in section 15-2011. Attorney fees paid

1 pursuant to this subsection shall not exceed the market rate for similar  
 2 types of litigation. Monies recovered as damages pursuant to this subsection  
 3 shall be used to offset debt service on the correction of existing  
 4 deficiencies as prescribed by section 15-2021. The joint committee on  
 5 capital review shall conduct an annual review of the litigation account,  
 6 including the costs associated with current and potential litigation.

7 M. Until the state board of education and the auditor general adopt  
 8 rules pursuant to section 15-213, subsection I, the school facilities board  
 9 may allow school districts to contract for construction services and  
 10 materials through the qualified select bidders list method of project  
 11 delivery for new school facilities pursuant to this section.

12 N. The school facilities board shall submit a report on project  
 13 management services and preconstruction services to the governor, the  
 14 president of the senate and the speaker of the house of representatives by  
 15 December 31 of each year. The report shall compare projects that use project  
 16 management and preconstruction services with those that do not. The report  
 17 shall address cost, schedule and other measurable components of a  
 18 construction project. School districts, construction manager at risk firms  
 19 and project management firms that participate in a school facilities board  
 20 funded project shall provide the information required by the school  
 21 facilities board in relation to this report.

22 Sec. 4. Repeal

23 Section 15-2041, Arizona Revised Statutes, as amended by Laws 2005,  
 24 chapter 287, section 3, is repealed.